6-104.3.

- (A) THE DEPARTMENT MAY BIFURCATE AN APPLICATION TO DRILL FOR OIL OR GAS WHEN THE DRILLING WILL BE CONDUCTED IN GEOLOGIC FORMATIONS NOT YET PROVEN TO BE PRODUCTIVE.
- (B) IF THE DEPARTMENT BIFURCATES THE PERMIT PROCESS IT MAY ISSUE A PERMIT FOR EXPLORATION ONLY. PRODUCTION MAY NOT COMMENCE UNTIL THE ENVIRONMENTAL ASSESSMENT REQUIRED BY § 6–104.1 OF THIS SUBTITLE HAS BEEN COMPLETED AND APPROVED BY THE DEPARTMENT AND THE DEPARTMENT HAS ISSUED A PERMIT FOR PRODUCTION. AN ADDITIONAL OPPORTUNITY FOR A PUBLIC HEARING SHALL BE PROVIDED IN ACCORDANCE WITH § 6–104.1(B) OF THIS SUBTITLE PRIOR TO THE ISSUANCE OF ANY PERMIT FOR PRODUCTION.
- (C) IF THE DEPARTMENT BIFURCATES THE PERMIT PROCESS. THE ENVIRONMENTAL ASSESSMENT REQUIRED UNDER § 6-104.1(A)(4) OF THIS SUBTITLE MAY ALSO BE BIFURCATED TO ADDRESS SEPARATELY ENVIRONMENTAL ISSUES ASSOCIATED WITH EXPLORATION AND PRODUCTION. HOWEVER, PRIOR TO GRANTING A PERMIT TO CONDUCT EXPLORATORY DRILLING IN THE COASTAL PLAIN, THE DEPARTMENT SHALL REQUIRE THE APPLICANT TO SUBMIT AN **ENVIRONMENTAL** ASSESSMENT THAT CONTAINS GENERAL INFORMATION REGARDING THE ENVIRONMENTAL IMPACTS OF **POSSIBLE** PRODUCTION. INCLUDING THE POTENTIAL EFFECTS OF TRANSPORTING AND STORING OIL OR GAS AND THE POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS THAT MAY ARISE DUE TO THE ENVIRONMENTAL CHARACTERISTICS OF THE DRILLING SITE.

6 104.3. 6–104.4.

Notwithstanding any other law, a person may not drill for oil or gas in the waters of the Chesapeake Bay [or], any of its tributaries; OR IN THE CHESAPEAKE BAY CRITICAL AREA.

6-104.4. 6-104.5.

- (A) THE DEPARTMENT SHALL DENY THE PERMIT IF THE DEPARTMENT DETERMINES THAT:
- (1) THE PROPOSED OPERATION SHALL VIOLATE A REQUIREMENT OF THIS SUBTITLE OR A REGULATION ADOPTED UNDER THIS SUBTITLE;
- (2) THE PROPOSED DRILLING OR WELL OPERATION POSES A SUBSTANTIAL THREAT TO PUBLIC SAFETY OR A RISK OF <u>SIGNIFICANT ADVERSE</u> ENVIRONMENTAL DAMAGE IMPACT TO, BUT NOT LIMITED TO, THE FOLLOWING:
 - (I) THE CHESAPEAKE BAY:
 - (II) THE CHESAPEAKE BAY CRITICAL AREA;
 - (III) TIDAL OR NONTIDAL WETLANDS;
- (IV) ENDANGERED OR THREATENED SPECIES, SPECIES IN NEED OF CONSERVATION, OR THE HABITAT OF ANY OF THEM;